

CITY OF MIAMI BEACH

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COMMISSION MEMORANDUM

To: Mayor David Dermer and
Members of the City Commission

Date: October 19, 2005

From: Jorge M. Gonzalez
City Manager

Subject: **REPORT OF THE JOINT FINANCE AND CITYWIDE PROJECTS COMMITTEE
AND THE NEIGHBORHOODS/COMMUNITY AFFAIRS COMMITTEE MEETING
OF SEPTEMBER 1, 2005.**

A joint meeting of the Finance and Citywide Projects Commission Committee (Committee) and the Neighborhood/Community Affairs Committee was held on September 1, 2005 at 2:45 p.m. in the City Manager's Large Conference Room.

JOINT ITEM

1. Discussion regarding an Ordinance amending Miami Beach City Code Chapter 2, Article VI, Division 3, by creating Section 2-373 thereof, entitled "Requirement for City Contractors to Provide Equal Benefits for Domestic Partners."

ACTION

The Committees unanimously moved the item to the full Commission, recommending approval of the proposed Ordinance.

The Committees also recommended establishing a ramp-up period for the ordinance and the creation of a dedicated position for contract compliance issues.

First Assistant City Attorney Raul Aguila and Procurement Division Director Gus Lopez introduced and summarized the item.

Mr. Aguila stated that pursuant to the prior direction of the Neighborhood/Community Affairs Committee, the City Attorney's Office and the City's Procurement Division have drafted an Ordinance which would require certain contractors doing business with the City to provide equal benefits to their employees, including their employees with domestic partners.

Mr. Aguila further stated that the Administration is proposing an alternative preference-type Ordinance as a starting point, providing for a three-year ramp-up period, and then proceeding to the requirement-type proposed Ordinance.

Commissioner Luis R. Garcia, Jr. expressed his displeasure over the length of time it has taken for this proposed Ordinance to make its way to the joint Committees. City Manager Jorge M. Gonzalez stated that this item had been deferred a number of times as a courtesy to Commissioner Garcia because of scheduling conflicts over the summer recess.

Agenda Item CGA
Date 10-19-05

Mr. Aguila stated that the proposed Ordinance is very complicated and if adopted, the City of Miami Beach will be the first city in the state of Florida to have such legislation in place.

Mr. Aguila summarized the major points of the proposed Ordinance.

Mr. Lopez provided the results of surveys issued to more than 2,800 vendors.

Mr. Lopez added that the purpose of the survey was to determine among current City vendors:

- Who currently offer equal benefits to all of their employees including employees in a domestic partnership; and,
- Who currently do not offer equal benefits to all of their employees but would comply if required as a condition of doing business with the City.

The Committees discussed the benefits of the proposed Equal Benefits Ordinance, as well as the possible financial impacts of the Ordinance. The Committees discussed the lessons learned from the financial impacts of the Living Wage Ordinance.

Commissioner Richard L. Steinberg requested that the "cash equivalent" option for compliance be further reviewed and/or modified to ensure that the applicability requirements are consistent.

Commissioner Steinberg recommended that as part of the waiver provisions, some consideration should be created for the City Commission to waive the requirements of the proposed Ordinance, should the City Commission determine it is in the City's best economic interest to do so.

Mr. Lopez stated that in order to adequately enforce the proposed Equal Benefits Ordinance and the Living Wage Ordinance, the Procurement Division is requesting a Contract Compliance Specialist position, for fiscal year 2006.

The Committees unanimously moved the item to the full Commission, recommending approval of the proposed Ordinance. The Committees also recommended establishing a ramp-up period for the ordinance and the creation of a dedicated position for contract compliance issues.

Ms. Heddy Pena, representing Save Dade thanked the Committees, Commissioner Garcia, Mr. Gonzalez, Mr. Aguila, and Mr. Lopez for their support of the proposed Ordinance.

Stratton Pollitzer, representing Equality Florida, thanked the City of Miami Beach for being the first city in the State of Florida to adopt such legislation.

FINANCE AND CITYWIDE PROJECTS COMMITTEE ITEMS

NEW BUSINESS

2. Discussion regarding a proposal from Cirque Du Soleil for a long-term lease of, and resident show at, the Jackie Gleason Theater.

ACTION

The Committee endorsed the concept of a long-term lease of, and resident show at, the Jackie Gleason Theater and authorized the Administration to negotiate with representatives from the Cirque Du Soleil team.

Mr. Gonzalez introduced and summarized the item. Mr. Gonzalez stated that representatives from the Cirque Du Soleil (Cirque) team were here to discuss the proposed concept which includes establishing a resident show at the Jackie Gleason Theater (JGT) and retrofitting the theater to accommodate Cirque performances, themed restaurants, event space, and possibly include the development of the planned ballroom for the Miami Beach Convention Center.

Mr. Jorge Perez, representing the Related Group of Florida, and Mr. Scott Zeiger, representing Clear Channel Communications, both part of the Cirque team, introduced the proposed concept plan.

Mr. Perez stated that Cirque was proposing establishing a new show at the JGT which would run approximately 10 to 15 years. Mr. Zeiger stated that the Cirque can fill the void left at the JGT as a result of loosing three resident companies to the Miami Performing Arts Center.

Mr. Daniel Lamarre and Johnny Boilin, representing the Cirque, gave a PowerPoint presentation (Attached) to the Committee outlining their proposal for the redevelopment of the JGT.

Mr. Lamarre and Mr. Boilin summarized the following concepts for their proposed plan:

- Trends and Opportunities;
- The Appeal of Miami Beach;
- Trends in the Miami Beach Market;
- Challenges;
- Opportunities;
- Bringing an International Entertainment Icon to Miami Beach;
- The Project;
- The Vision;
- An Entertainment Destination Anchored By;
- The Soul – The Show
- Preliminary Architectural Concept;
- The Context;
- Jackie Gleason Theater Redevelopment;
- Food & Beverage, Event & Other Uses;
- Status: Existing Jackie Gleason Theater;
- Overall Benefits for Miami Beach;
- Economic Benefits for Miami Beach;
- Conceptual Development Budget; and,
- Next Steps.

The Committee praised the Cirque team for their presentation. The Committee discussed the proposed project plan and budget.

Commissioner Jose Smith commended the Cirque team for their presentation and stated that it is a concept the City should explore.

Commissioner Matti H. Bower congratulated the Cirque team on their presentation. She stated that she was particularly impressed with how conscientious the Cirque was to their adjoining neighbors and with the goodwill the Cirque provide to children and the community.

Commissioner Steinberg and Commissioner Gross stated that proposed project was worth exploring.

Mr. Gonzalez stated that if the Committee authorizes the Administration to negotiate with the Cirque team, the next steps would involve creating a Development Agreement and Ground Lease.

Commissioner Gross asked whether a referendum was needed in order to proceed with the project.

Mr. Gonzalez replied that the Administration believes that no referendum vote would be needed, as the City would not be proposing to use the neighboring surface lot in the development of the project.

Mr. Aguila stated that the proposed project will eventually need Planning Board and City Commission approval.

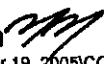
Mr. Zeiger stated that the project would take approximately 18 months to complete from the start of construction.

Mr. Frank Del Vecchio, resident, addressed the Committee.

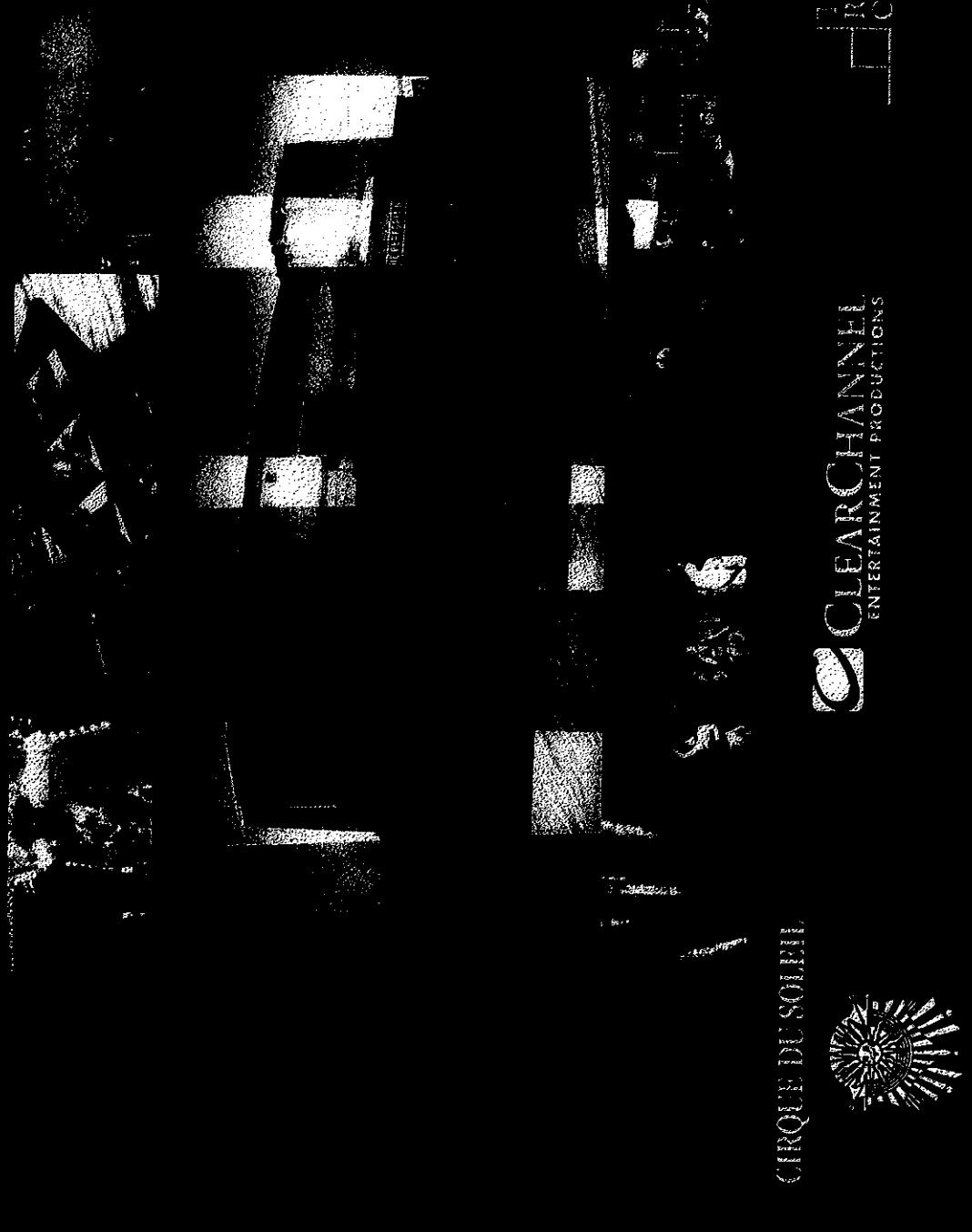
Mr. Stu Blumberg, GMBHA, addressed the Committee.

Mr. Bill Talbert, GMCVB, addressed the Committee.

Ms. Gabrielle Redfern, resident, addressed the Committee.

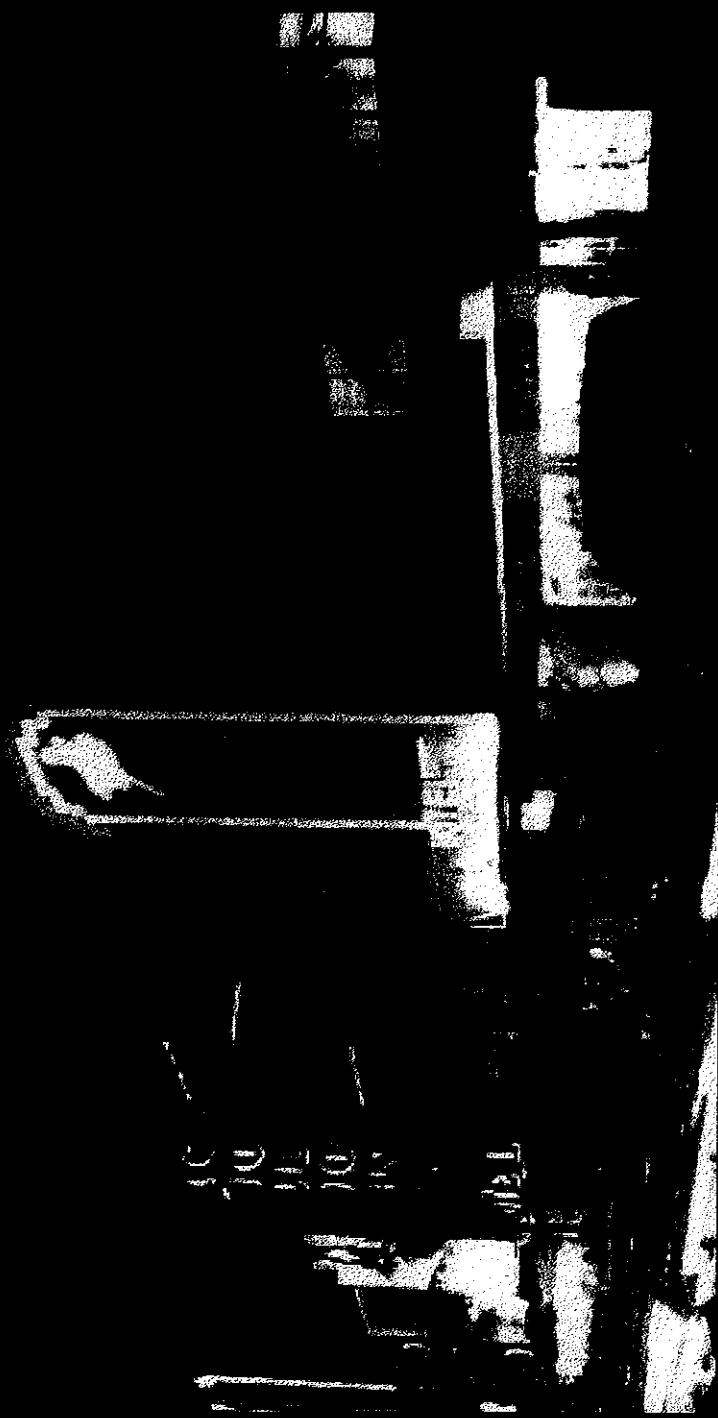
JMG/PDW/mm 
T:\AGENDA\2005\October 19, 2005\CONSENT\FCWP 09-01-05 Report

Proposal for the Redevelopment of the Jackie Gleason Theater



Presentation document only
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Trends and Opportunities



The Appeal of Miami Beach

- World-Class semi-tropical oceanfront location.
- International destination.
- Festive environment.
- Center of South Florida night life.
- "Hot" boutique hotels, restaurants & clubs.
- Fashion & modeling industry.
- Premier cruise port.
- Latin American lifestyle & culture.
- Celebrities.
- Miami Beach's vibrant environment.



Trends in the Miami Beach Market

- Continued growth as a premier U.S. & international destination:
 - Boutique hotels;
 - Premier restaurants;
 - Nightlife and clubs;
 - The celebrity "circuit";
- Strengthening year round hotel occupancies.
- Increasingly popular international destination for travellers and 2nd residences.
- A growing focal point of Latin American lifestyle and culture.

Challenges

Miami Beach competes in the international arena, as well as locally in Florida, as an entertainment & convention destination.

- Nightlife & Miami Beach go hand-in-hand, continued innovation is essential to the City's vitality and longevity.
- World-class entertainment would enhance Miami Beach's appeal. When the Gleason Theater loses its anchor tenants to the new PAC, an opportunity arises to convert the Theater into a premier "International Entertainment Destination" that complements the spectacular new PAC.
- Further, the repositioned Gleason Theater would differentiate the adjacent Convention Center and make it a unique international destination.

Challenges

Miami Beach can build upon its Convention Center, hotel, restaurant & club offerings.

- Tourists / visitors are looking for alternatives to bars & clubs to meet and congregate; variety and unique venues would enhance Miami Beach's ability to attract visitors and conventions.
- The opportunity exists for Miami Beach to attract an earlier in the evening Show "crowd", including:
 - Patrons not interested in the bars & clubs, and
 - Patrons coming specifically for the show AND an after-show experience.
 - Patrons seeking unique special events

Opportunities

The Evening Entertainment Gap

To engage visitors & residents with an attraction during the time gap between sunset (pool & beach activity) and the late night restaurant, club & bar scene.

Latin American Influences

To capitalize on the lifestyle, culture and energy of Miami's Latin American resident & visitor population.

Excellent Visitor Market & Consumer Compatibility

To capture a portion of the 11 million annual visitors to Greater Miami & 4.5 million to Miami Beach; Miami Beach's Convention Center, boutique hotels, restaurants, bars and clubs are ideal counterparts for the Cirque du Soleil Show and its customer.

Adjacency of the Jackie Gleason Theater & Convention Center

To provide the Convention Center with a competitive advantage by redeveloping the Gleason Theater as a unique entertainment destination with physical, marketing and event planning connections to the Convention Center.

Bringing an International Entertainment Icon to Miami Beach

CAROLYN CHI-SHII



Montreal San Francisco San Diego
Lyons Salt Spring Ottawa Mexico City Zurich
New Orleans Amsterdam Atlanta Boston Chicago
Philadelphia Miami Copenhagen Copenhagen
Seattle Austin San Diego
Dusseldorf Germany Seattle Miami Tokyo
Milwaukee Stuttgart Tokyo Brisbane
Costa Mesa Boston Atlanta
Denver London Portland Victoria Hong Kong Toronto

Las Vegas

CIRQUE DU SOLEIL®

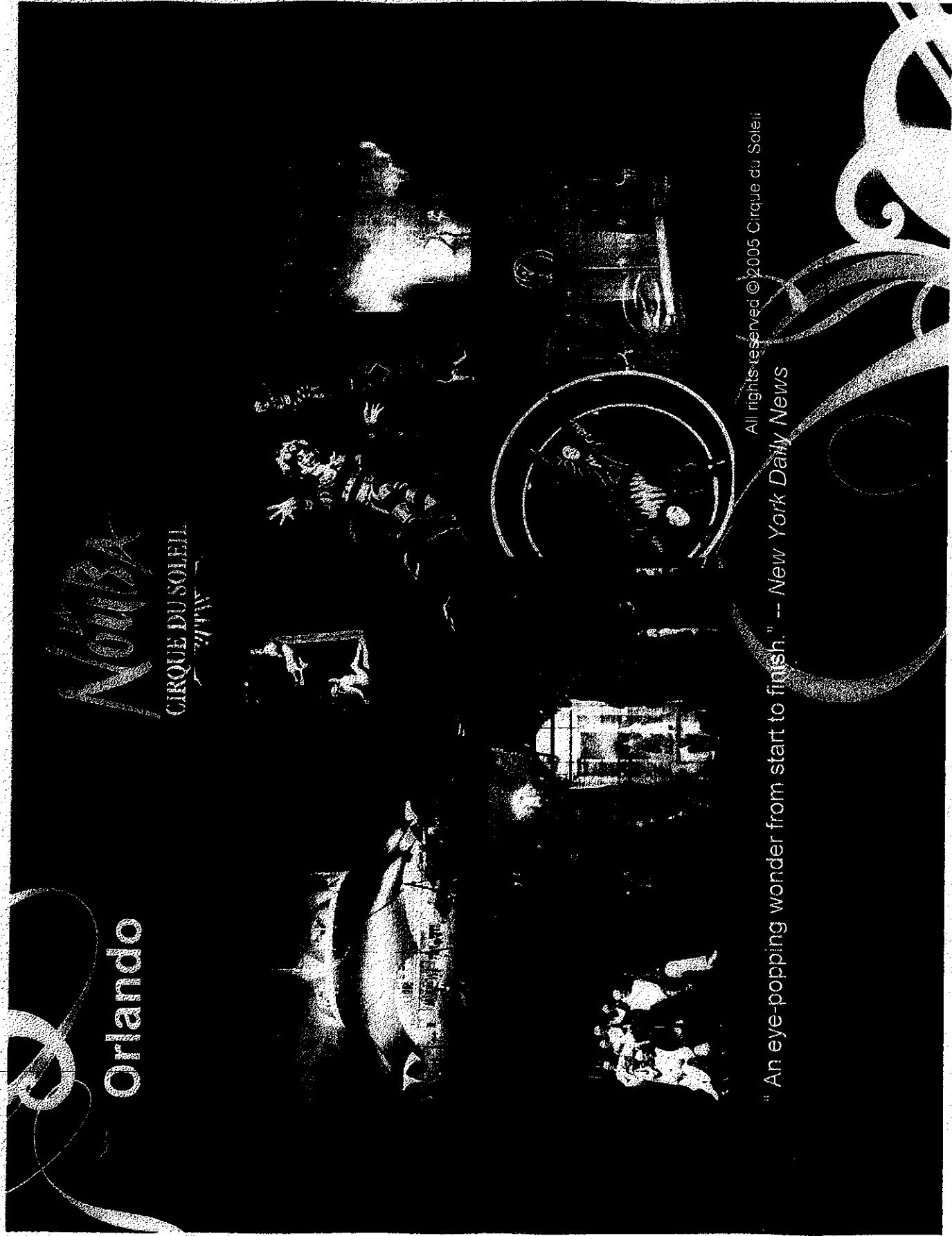
"...the magic of *Mystère* is inescapable and makes for an awe-inspiring evening ..." -- *Chicago Tribune*

All rights reserved © 2005 Cirque du Soleil

Las Vegas

« O » is liquid magic... -- TIME Magazine

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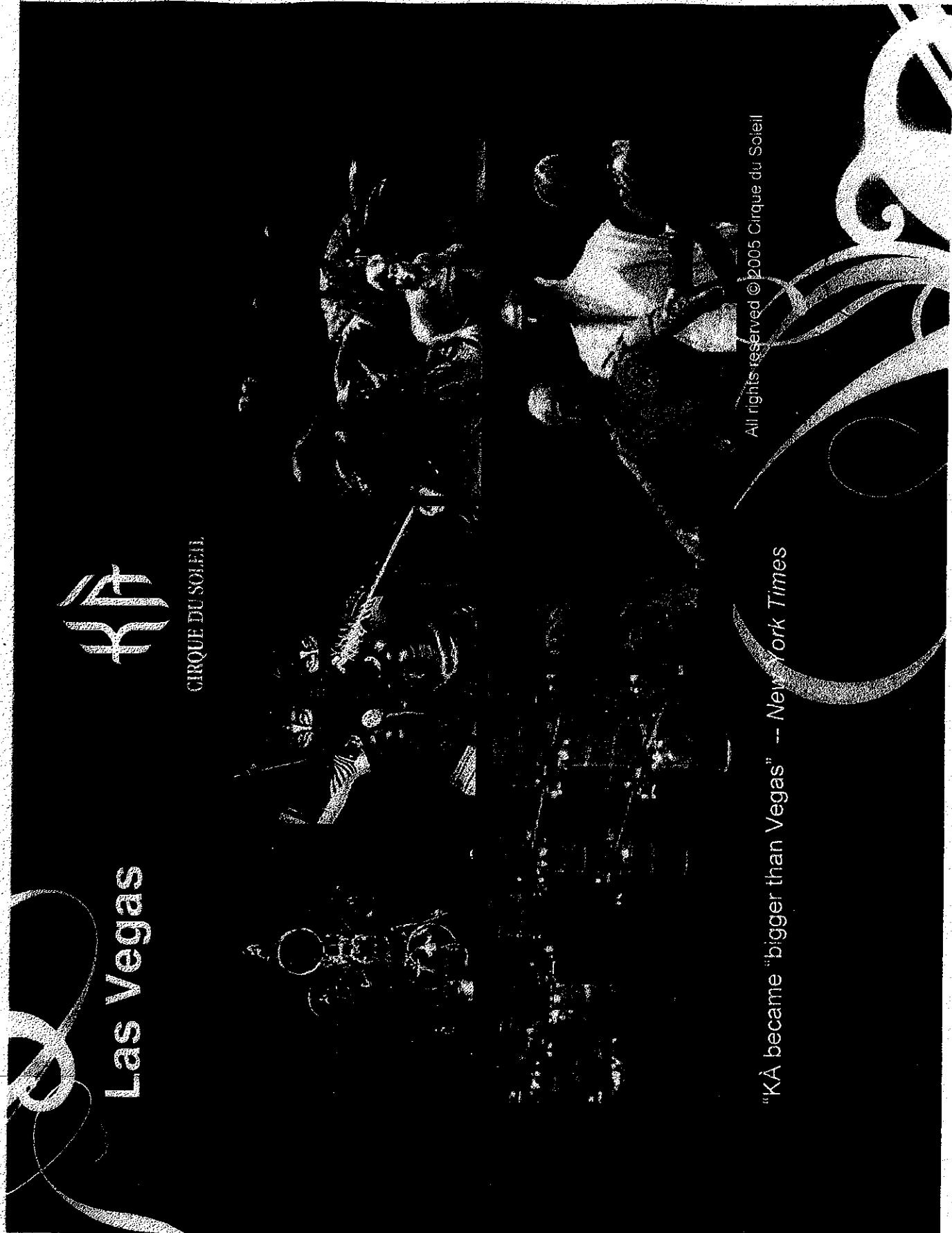


"An eye-popping wonder from start to finish." — *New York Daily News*
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Las Vegas

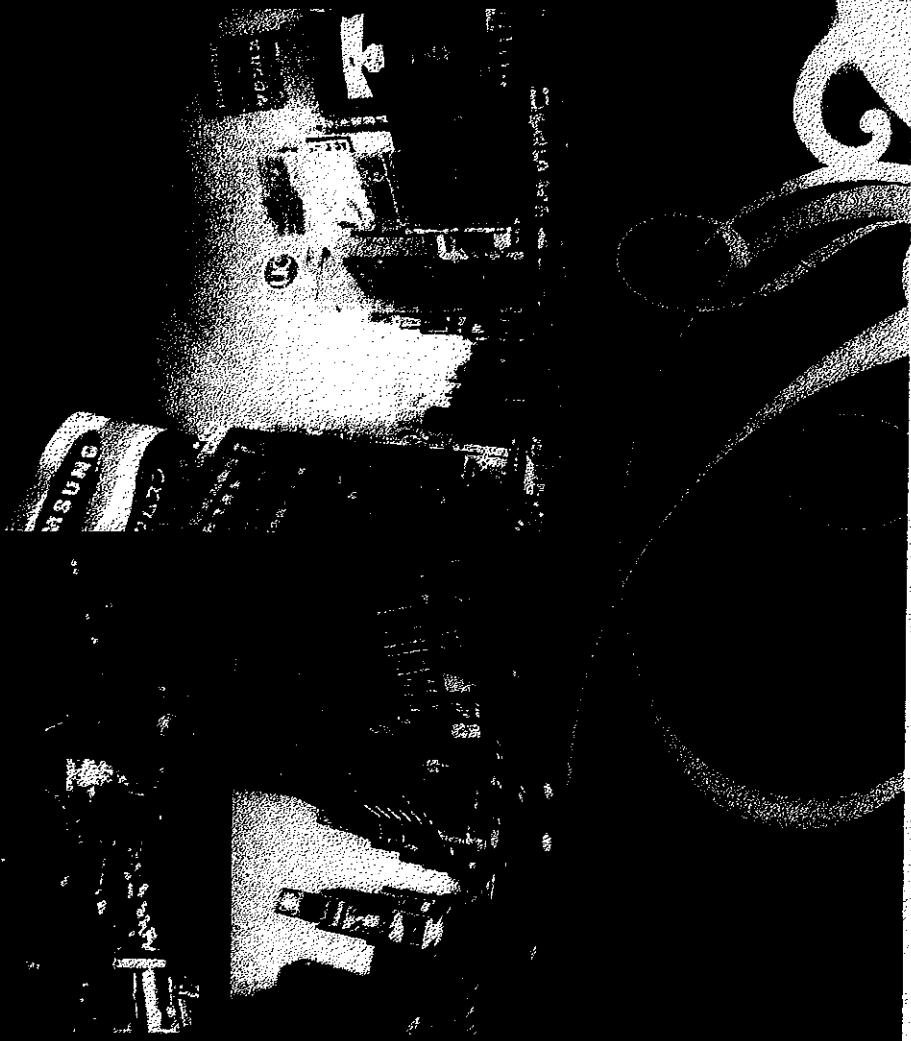
Zumanity

ANNE MARIE STONE



Other On-Going Cirque du Soleil Projects

- Paris
- New York
- Tokyo
- Macau
- London



The Project

The Vision

Reinforce Miami Beach as an
international tourist, visitor &
convention destination
by creating a unique
entertainment,
special event and dining
experience.

An Entertainment Destination Anchored By:

The Show and Theater:

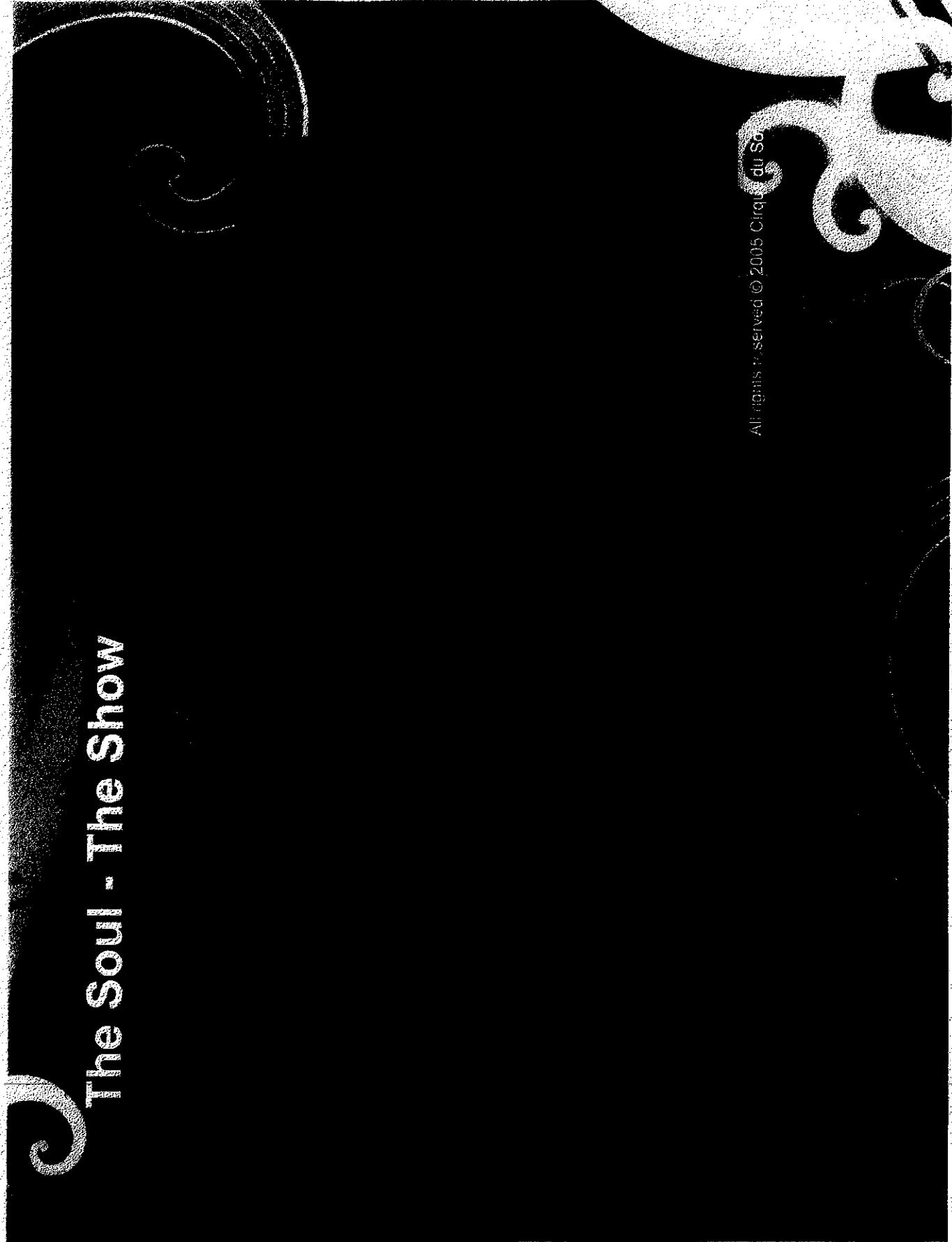
- An original Cirque du Soleil show customized for the Miami Beach market.
- A completely revamped 1,700 seat cabaret style theater (~90,000 sf).

A World-Class Dining & Nightlife Experience:

- A signature restaurant animated by a renowned chef (~350 seats, 10,000 sf);
- A Show related restaurant (~ 300 seats, 8,500 sf);
- A state-of-the-art night club / event venue powered by Cirque spirit (~10-20,000 sf, 1,200 patrons);

A Special Event & Meeting Environment:

- A unique setting for indoor & outdoor events that capitalizes on synergistic connections between the Convention Center and the Jackie Gleason event garden & facilities



The Soul - The Show

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A Celebration of Dance, Latin Music and Rhythms Characteristic of Miami Beach

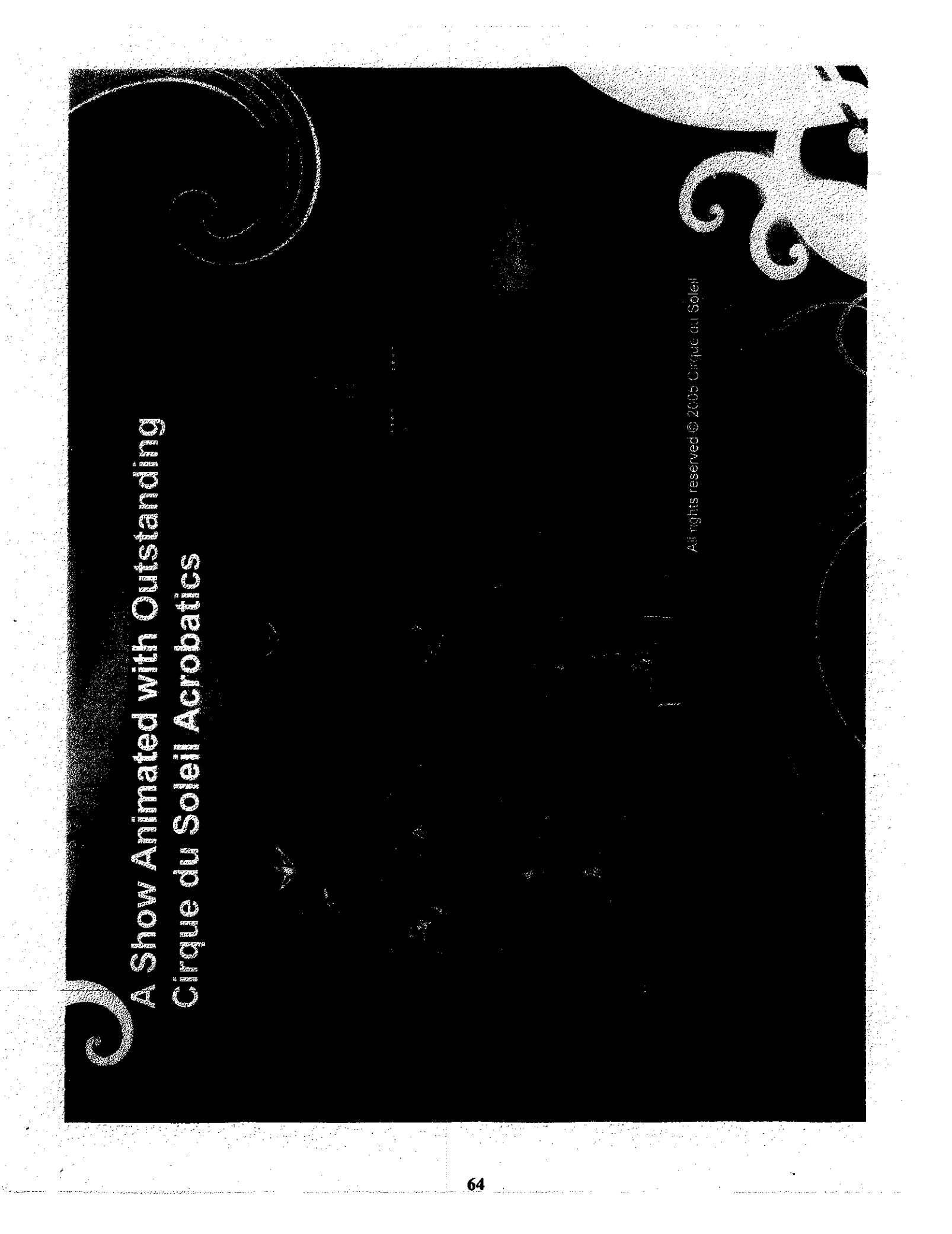
All rights reserved © 2005 Cirque du Soleil

A Latin-Inspired Show With Gorgeous Women and Charismatic Men Performing in Sublimely Exuberant Costumes

All rights reserved © 2005 Cirque du Soleil

An Exciting, Intimate Cabaret-Style Show

All rights reserved © 2005 Cirque du Soleil



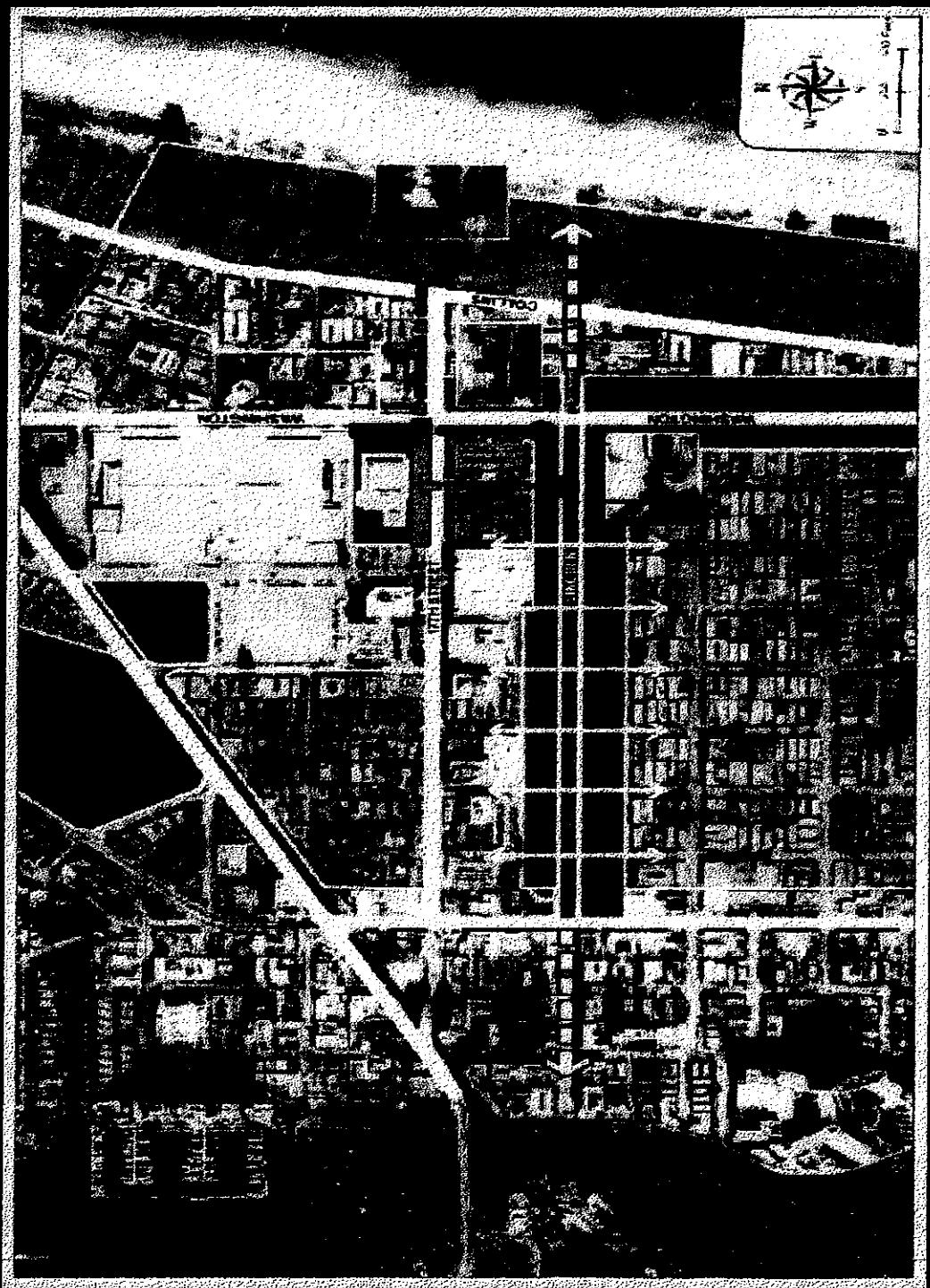
A Show Animated with Outstanding Cirque du Soleil Acrobatics

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Preliminary Architectural Concept

To create a project with a strong identity that contributes to the cultural heart of Miami Beach and connects with its environment.

The Context



A Cloud as a Crown



A Jewel as a Heart



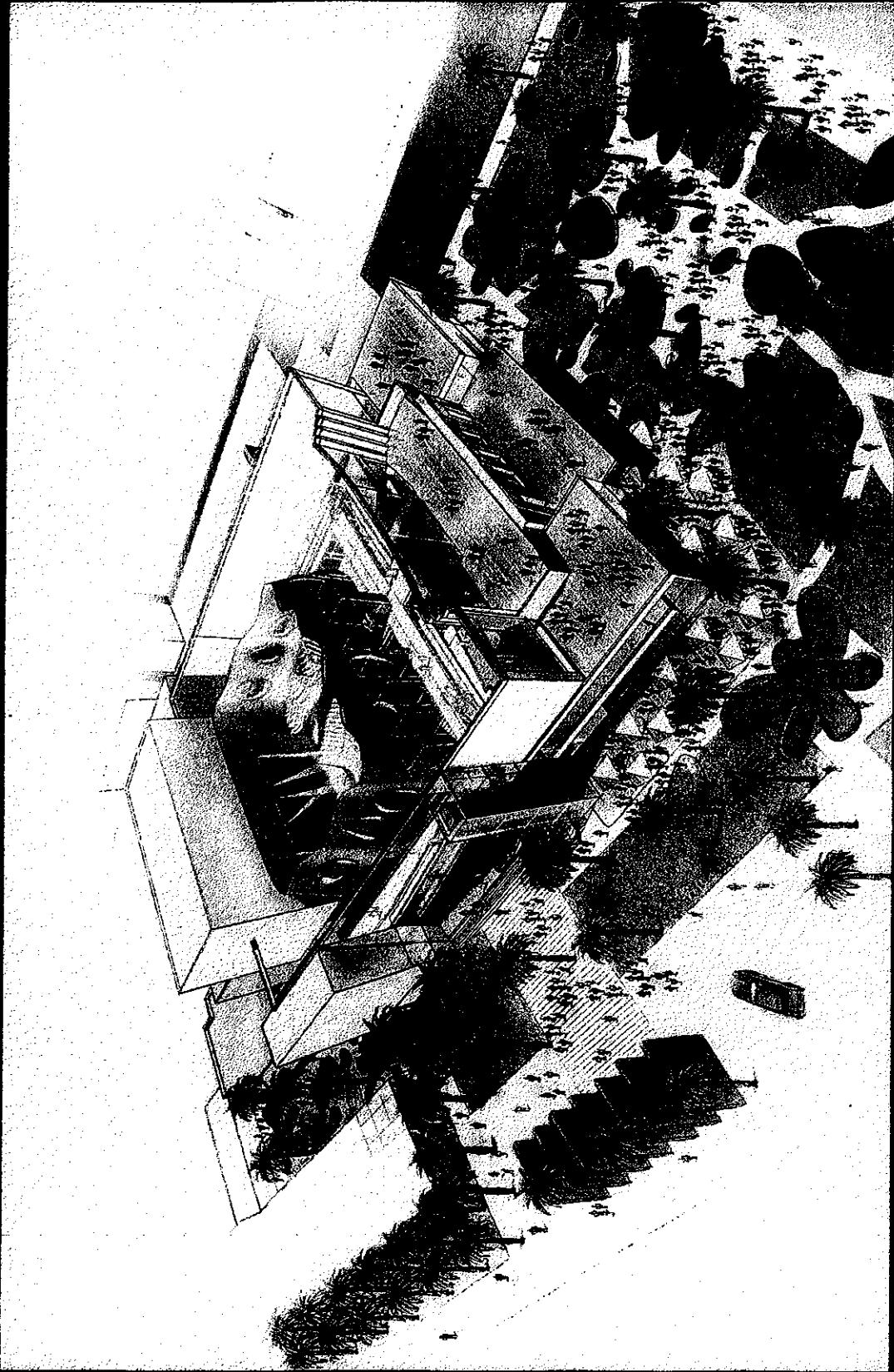
A Nomadic Feel



A Building that Sweats



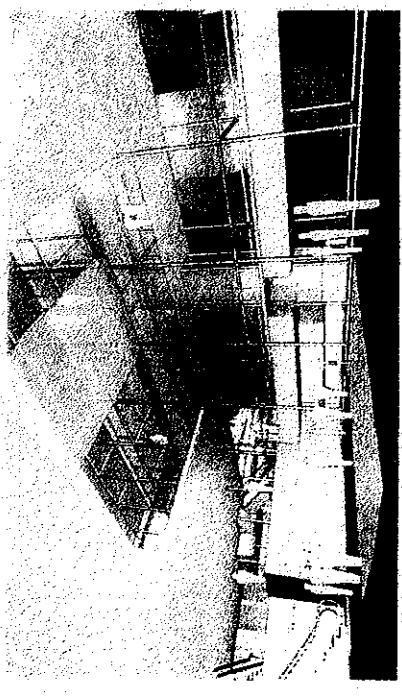
Jackie Gleason Theater Redevelopment



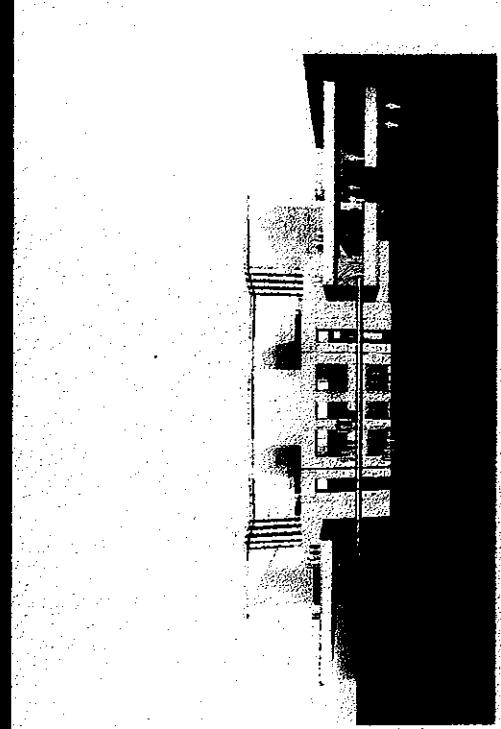
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The Theater



The Night Club



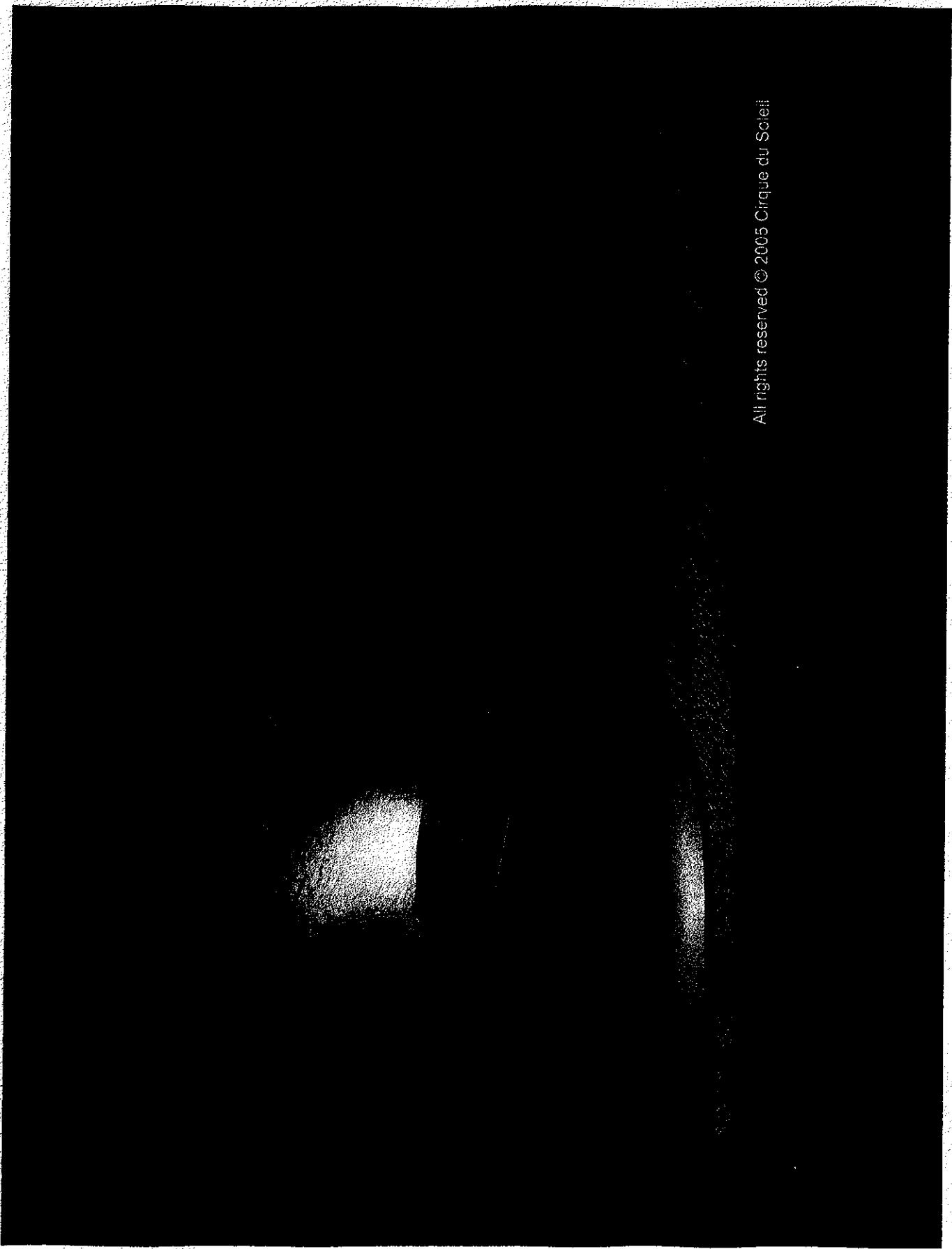
The East Facade



The Lobby

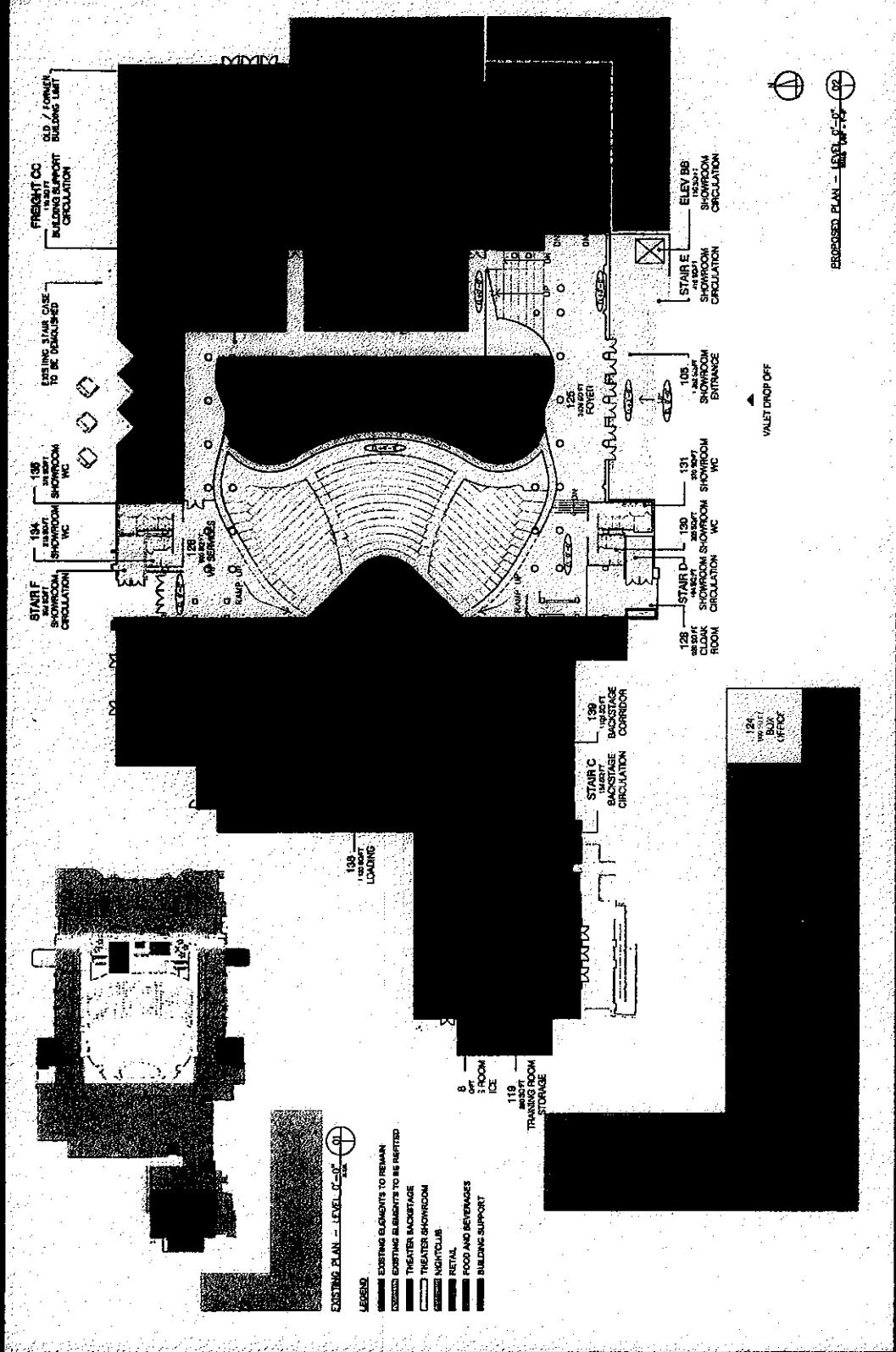
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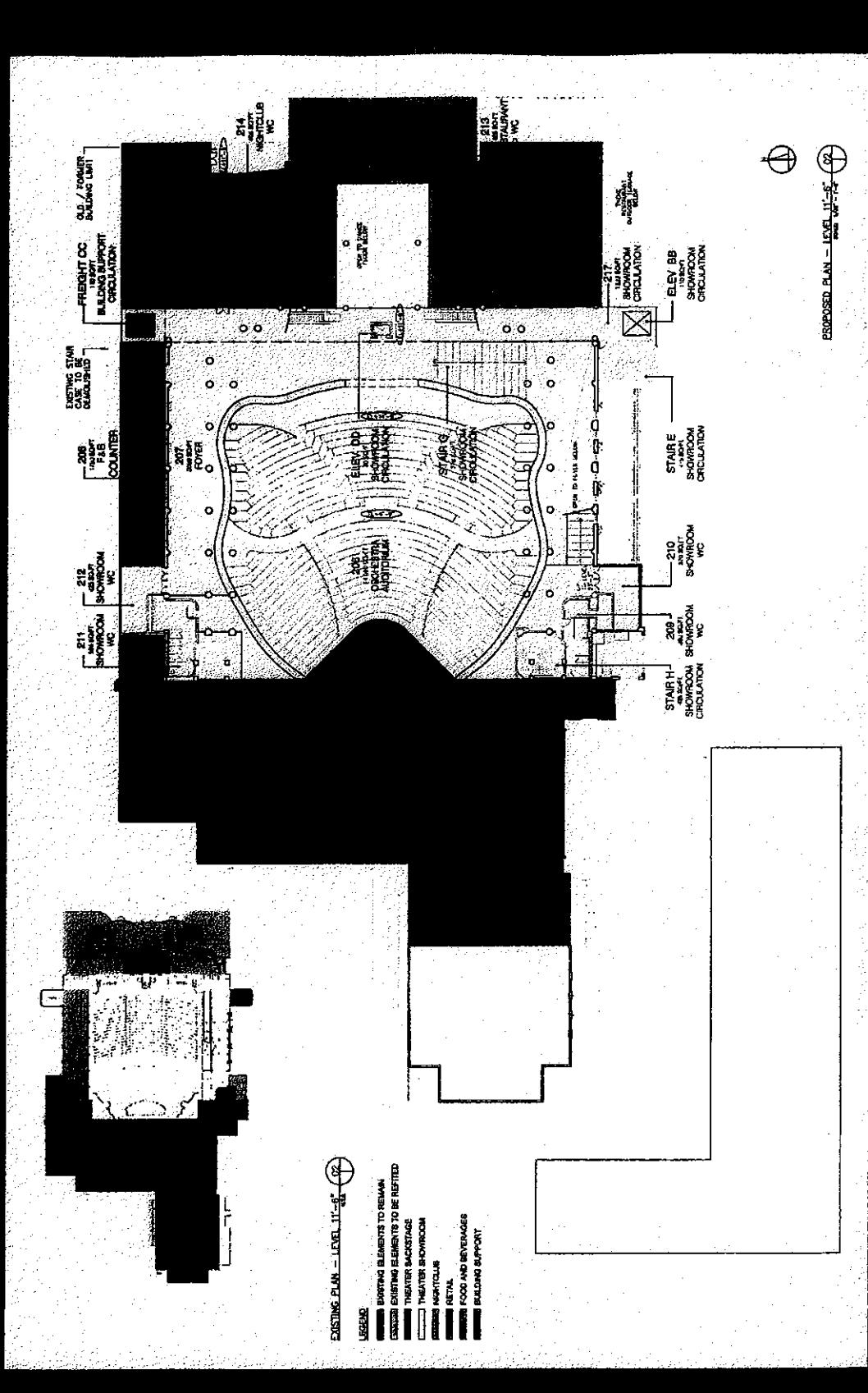


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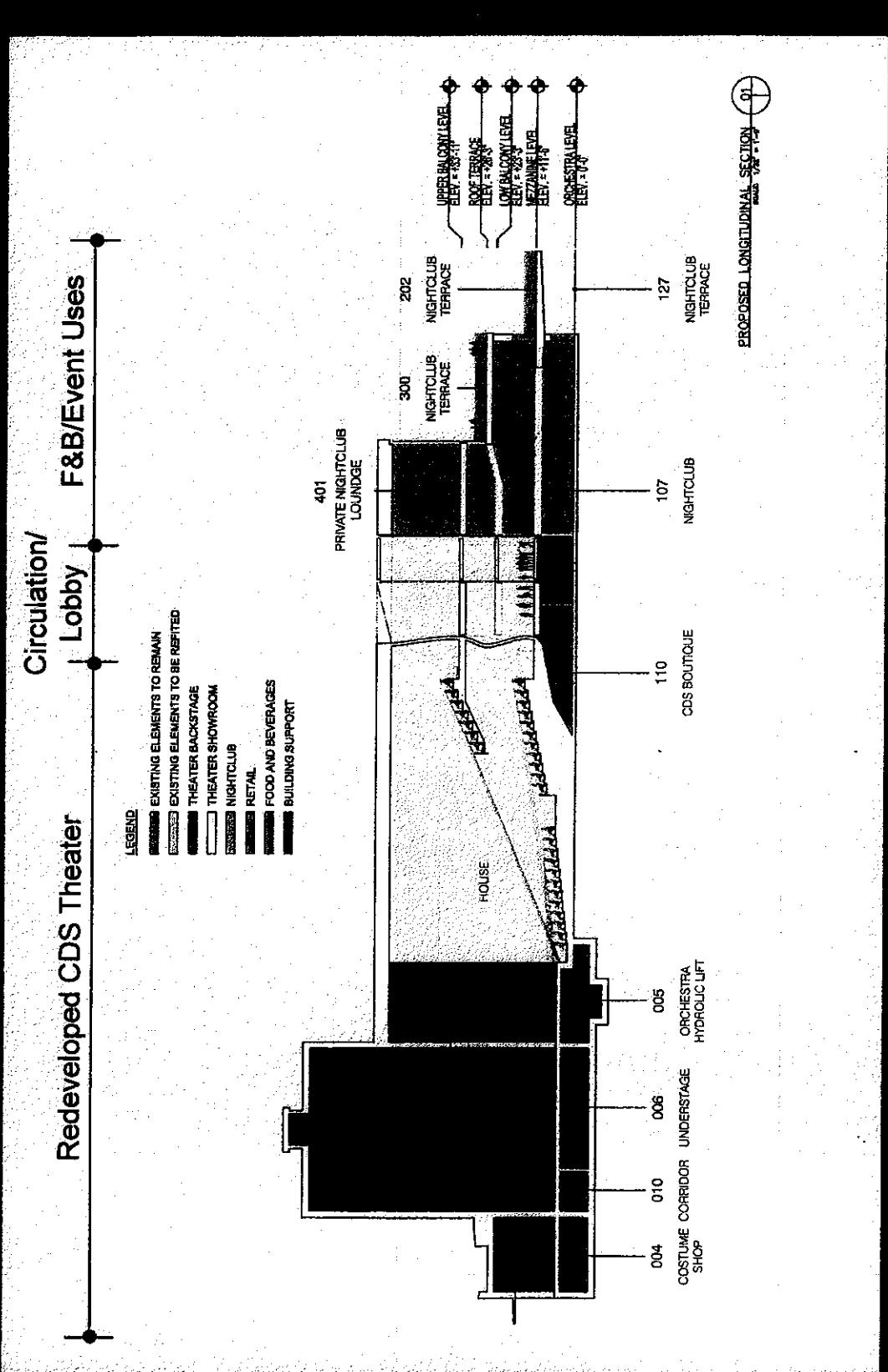
Level 0 = 0⁹³

Level 11' - 6'

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Longitudinal section



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Food & Beverage, Event & Other Uses



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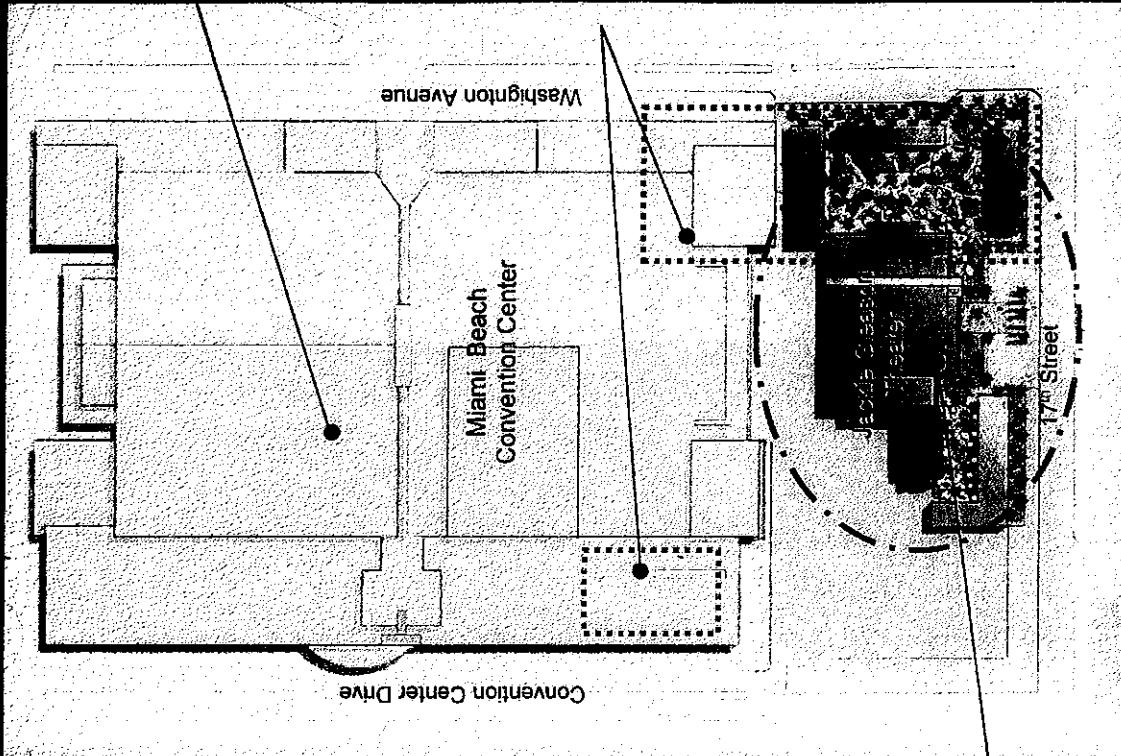
An Entertainment & Event Concept

An Entertainment & Event Complex:

- A Cirque du Soleil 1,700 Seat Theater
- 2 Restaurants, an independent signature chef concept and a Show related concept
- A state-of-the-art night club / event venue
- A unique indoor/outdoor event garden
- Expanded Convention Center meeting facilities

A Convention Center with unique entertainment options, meeting space and event offerings

Enhanced meeting and special event venues (areas of study)

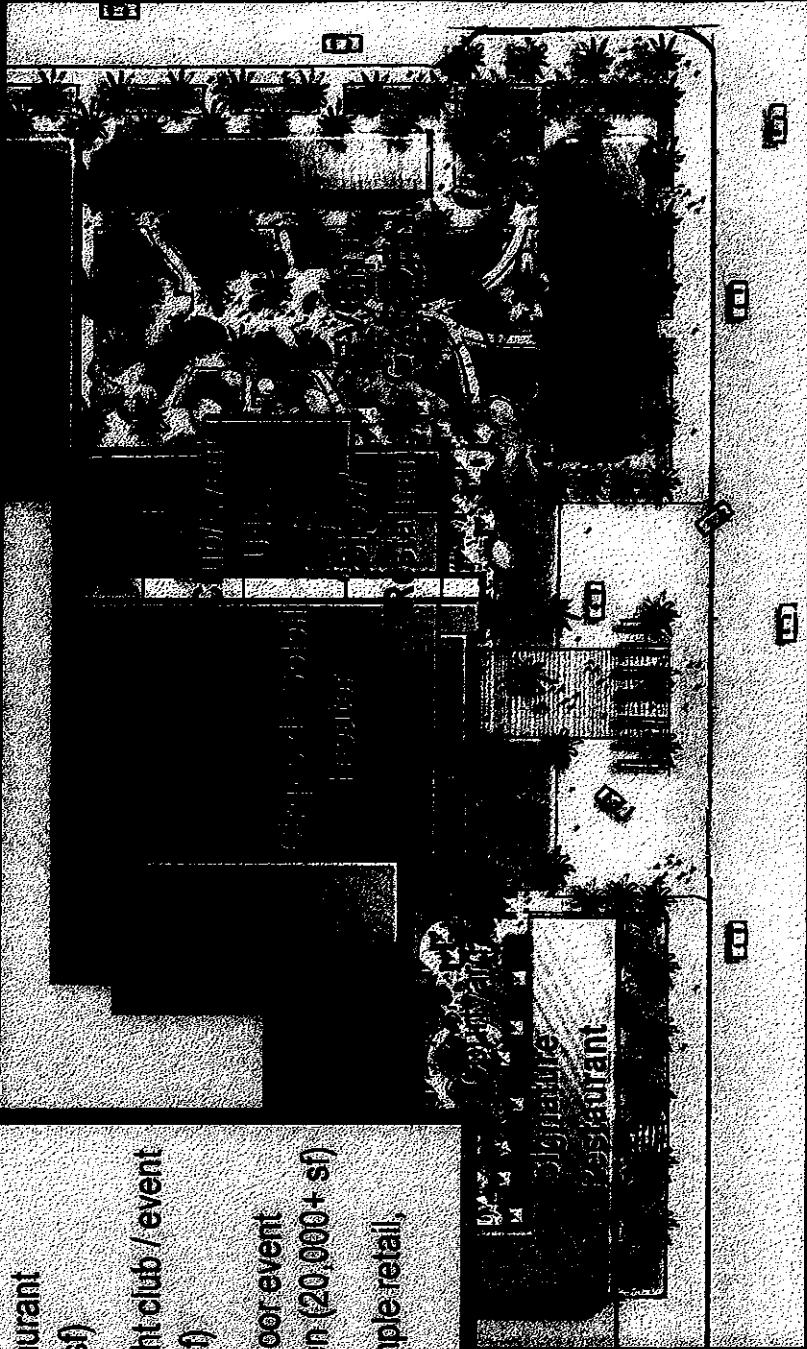


A Cirque du Soleil driven entertainment, dining and event complex

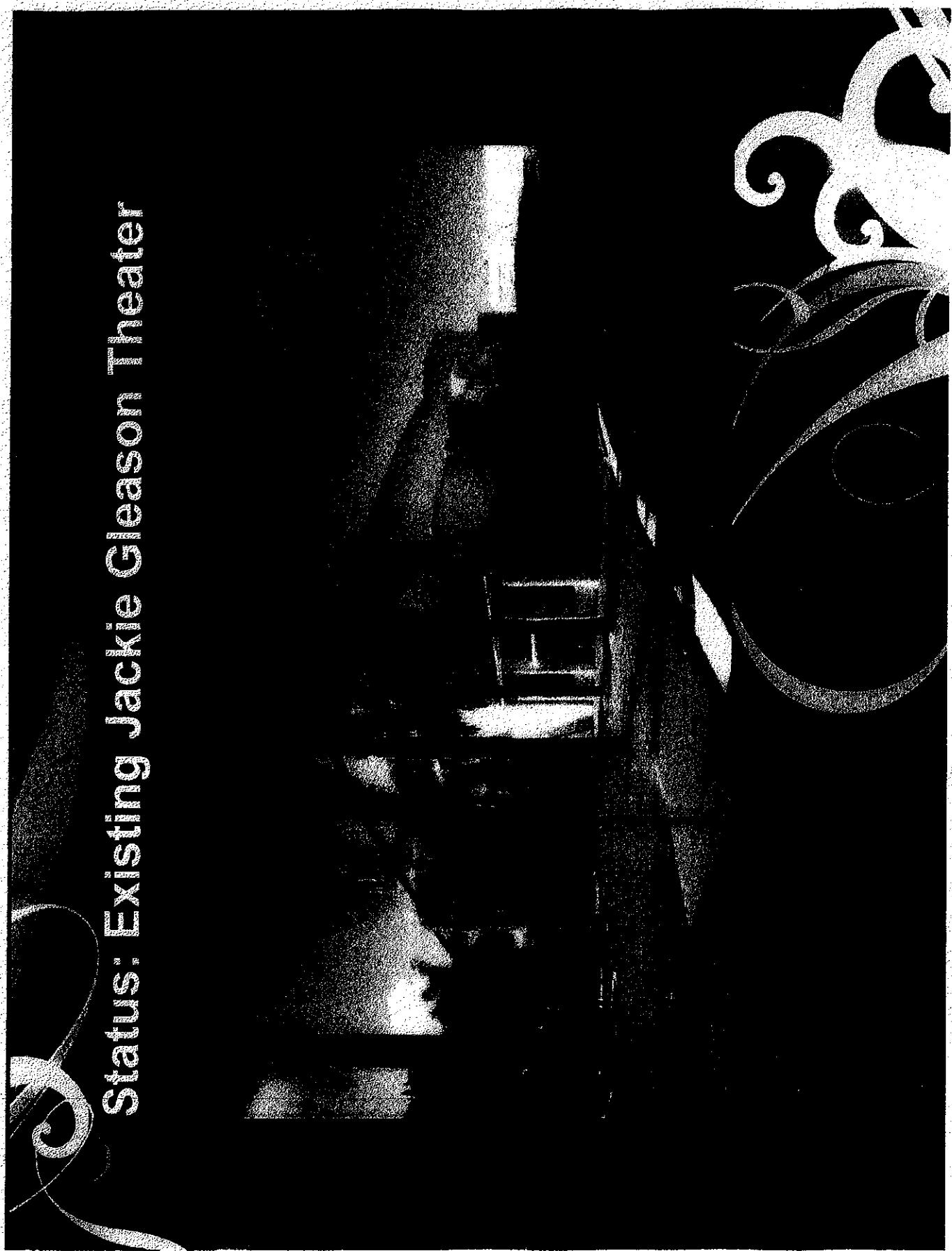
The Food & Beverage / Event Concepts

Food & Beverage / Event Uses:

- A signature restaurant animated by a renowned chef (~350 seats, 10,000 sf)
- A Show related restaurant (~ 300 seats, 8,500 sf)
- A state-of-the-art night club / event venue (~10-20,000 sf)
- A unique indoor or outdoor event facility & event garden (20,000+ sf)
- Other uses (for example retail, cultural, spa)



Status: Existing Jackie Gleason Theater



Status: Existing Jackie Gleason Theater

- Top three current Gleason Theater users:
 - Florida Theatrical Association (PTG – Broadway Series);
 - Miami City Ballet;
 - Concert Association of Florida.
- These user groups account for 40-45% of the theater's revenue.
- All three groups will move to the new Miami PAC in the Fall of 2006 resulting in:
 - A revenue loss of \$400,000* annually, which is currently income that offsets operating losses;
 - A loss of entertainment options in Miami Beach.

* This assumes \$50,000 per week in rent and fees, excluding hard costs, for 4 weeks of Broadway, 1 week of Concert and 3 weeks of Ballet programming

Status: Existing Jackie Gleason Theater & The Convention Center

- The Jackie Gleason Theater currently loses about \$300,000 per year (deficit is funded by the Convention Center Enterprise Fund (through a 3% County imposed bed tax)).
- This deficit will grow and could more than double after the Theater loses its primary user groups in 2006.
- The Miami Beach Convention Center currently loses about \$1,400,000 per year; a new Cirque du Soleil resident show could help grow bookings by increasing the attractiveness of Miami Beach as a convention destination.
- Miami Beach needs to stay well positioned to compete for entertainment dollars against:
 - Miami, Orlando, Ft. Lauderdale & Palm Beach;
 - Other entertainment destinations in U.S. (Vegas, LA, New York);
 - Other international destinations.

Overall Benefits for Miami Beach

- Anchors Miami Beach with a world-class entertainment & special events destination
- Brings Cirque du Soleil to Miami Beach
 - A brand with international appeal, prestige & recognition
 - A new show, unique to Miami Beach, created by the world's foremost producer of theatrical entertainment
 - An attraction for residents, visitors, tourists, cruise patrons
 - A tremendous demand generator for local hotels and restaurants (600,000+ attendees per year); generating increased Miami Beach visitation and additional room nights for local hotels

Overall Benefits for Miami Beach

- Gives Miami Beach a unique marketing draw (the only current permanent CDS Shows are located in Las Vegas, Orlando, Tokyo)
- Enhances the competitive position of the Miami Beach Convention Center by offering a unique attraction and associated facilities
- Miami Beach benefits from the economic "halo" effect from a Cirque du Soleil Show (additional hotel room nights, restaurant usage, convention center bookings, retail and travel sector expenditures) -- beneficiaries to date have been casino operators & Disney.

Economic Benefits for Miami Beach

A \$150+ million investment in a unique entertainment and event complex:

- Theater redevelopment & Show
- Restaurants/Club/Event Facilities
- Convention Center Ballroom / meeting facility expansion
- Associated jobs and economic benefits

Over \$4 million per year in direct economic benefits:

- Significant incremental tax income (\$3.5+ million/yr.)
- Tickets sales taxes (\$60mm in sales)
- Food & beverage sales (\$30mm in sales)
- Property taxes (\$70+ million in building improvements)
- Enhanced local hotel occupancy & associated taxes (an additional overnight stay for many visitors)
- Developer assumes Theater obligations (\$700k / yr. City subsidy eliminated)

Conceptual Development Budget

Conceptual budget with proposed funding sources.

Project Capital Costs (1)

\$150,000,000

Theater / Show

F&B / Club / Event

Ballroom

Capital Funding Sources

CDS/CCE/Related Equity (2)

Convention Center Bond Funds

Other Sources (3)

(1) Preliminary and conceptual budget estimates, does not include spa, retail, art / cultural galleries, or other uses which may ultimately be included in the Project program

(2) In addition, CDS/CCE/Related assumes the annual operating expense risk

(3) To be obtained from a variety of sources, including but not limited to, private non-recourse debt, public financing (such as TIF), other Federal, State, County and City sources

Next Steps

Authorization to negotiate a Development Agreement and Ground Lease between the City of Miami Beach and the Cirque/Clear Channel/Related Venture, including but not limited to:

- Endorsement of:
 - The Show & redevelopment concept for the Jackie Gleason Theater.
 - The food & beverage, club and event concepts, including use of the exterior for frequent outdoor events.
 - The concept of incorporating the Convention Center “ballroom expansion” into the Project program and scope.

Next Steps

- Development Agreement & Ground Lease terms that include, but are not limited to:
 - Ground rent structure that addresses the upfront risk and capital investment being made in the Project.
 - Utilization and usage rights to the various event components.
 - Lease term and conditions.
 - Cash flow participations and priorities.
 - Parking, service and access commitments to insure successful operations
 - Financing structure for the Project including public finance components.
- Explore options for a ballroom and other event / meeting options complementary to Convention Center activities.

Photos Credits

Photographs:

- Veronique Vial
- Jean-François Gratton
- Phillip Dixon
- Jan Swinkels
- Louis C. Hébert
- Eric Piché
- The Walt Disney Company

Costumes:

- Dominique Lemieux
- Thierry Mugler
- Marie-Chantalé Vaillancourt
- François Barbeau

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Cirque du Soleil

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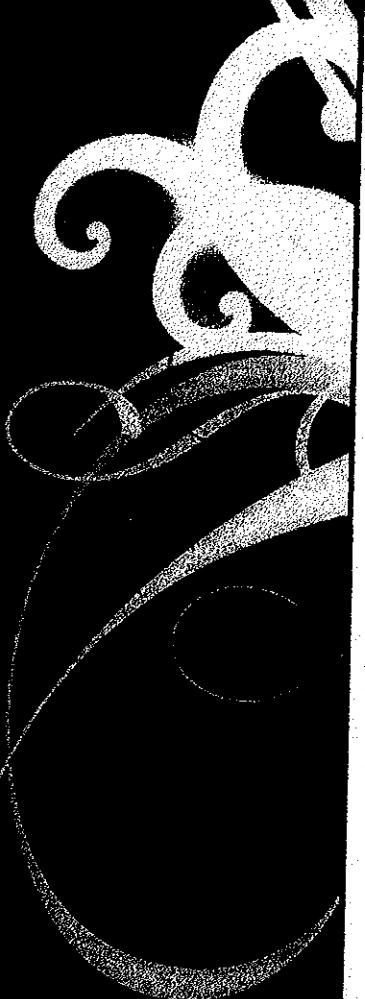
Miami Beach

CIRQUE DU SOLEIL



THE
RELATED
COMPANIES

 CLEARCHANNEL
ENTERTAINMENT PRODUCTIONS



**ATTENDANCE SHEET
MEETING OF THE JOINT FINANCE AND
NEIGHBORHOODS COMMITTEE MEETING**

DATE: Thurs, 09/01/05 - TIME: - 2:30 PM

PLEASE STATE YOUR NAME WHEN SPEAKING TO THE COMMITTEE - THANK YOU

PLEASE PRINT NAME	BUSINESS NAME & PHONE
Joe Fontana	C.C.A.B. 305 861-0054
Mario Martinez	Sunpost 315 538 9700 X215
Dan Ricker	Watchdog Report
SIDNEY GOLDIN	VCA
JOHN HEFFERNAN	Mayor & Commission ext. 6457
Dolores M. Mejia	Mayor & Commission ext. 6834
Gerald Posner	journlist - 305-672-5029
Trisha Posner	journlist 305-672-5029
Heddy Peña	SAVE Dade (305) 751-7283
Stratton Blitzer	EQUALITY FLORIDA 3310-Biscayne Blvd #202, 33137
Ken Ahonen-Jones	City resident 305-538-1515
Juan Ahonen-Jones	Personal 305-588-1515
✓ JOHNNY BOLIN	CDS.
Daniel Hammar	CDS (514) 723-7646
Eric Fournier	CDS (514) 723-7646
Bob Dorfman	Related
Kevin Ryan	Related

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PLEASE PRINT NAME	BUSINESS NAME & PHONE
SCOTT ZEIGER	CLEAR Channel 917-421-5456
Stu Blumberg	GMAHA
NORMAN LITZ	CONV.GTR. ADV. BRD.
Doug Tolber	SMG 305-673-7312
John Kast	CSL 952-476-5900
Jorge Gomez	CMB Planning 305-673-7550
Kevin Crowder	CMB Eco Dev 6186
Al WEINSTEIN	SUNPOST
AI West	GMC VIB
Mark Tamis	Delano 305-6746182
Eduardo Rodriguez	Mayor's Commission
GABRIEL REDEAR	"
Richard Steinberg	CMB
JOSE SMITH	CMB
Saul Gross	CMB
MANNY MARQUEZ	CMB X 6383
JORGE PEREZ	RELATED

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PLEASE PRINT NAME	BUSINESS NAME & PHONE
MATTI BOWER	CMB COMM.
LUIS R. GARCIA, JR.	CMB COMM.
JORGE M. GONZALEZ	CMB CMO
FRANK DEL VECCHIO	RESIDENT
BILL TALBERT	GMCVB
RAUL AGUILA	CMB CITY ATTORNEY'S OFFICE
GUS LOPEZ	CMB PROCUREMENT